

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3472-04
Bill No.: Truly Agreed To And Finally Passed SCS for SB 1003
Subject: Children and Minors; Disabilities; Family Services Division; Health Care; Mental Health; Mental Health Dept.; Social Services Dept.
Type: Original
Date: February 25, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue Fund	(Unknown)*	(Unknown)*	(Unknown)*

*** SUBJECT TO APPROPRIATIONS**

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Federal Funds	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0**	\$0**	\$0**

**** Revenues and expenditures unknown but net to \$0.**

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator, Department of Insurance, Missouri Department of Conservation** and **Missouri Consolidated Health Care Plan** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Department of Public Safety - Missouri State Highway Patrol** defer to the Missouri Department of Transportation for response regarding the potential fiscal impact of this proposal on their organization.

Officials from the **Missouri Department of Transportation (DOT)** state the proposal establishes a comprehensive children's mental health service system and does not mandate any health insurance benefit coverage. As a result, the proposal will have no fiscal impact on the Highway and Patrol Medical Plan.

Officials from the **Department of Elementary and Secondary Education (DES)** assume DES may incur various expenses and staff time to service on the "Comprehensive System Management Team". However, DES does not expect these costs to be significant and, therefore, absorbable within current funding levels.

ASSUMPTION (continued)

Officials from the **Department of Mental Health (DMH)** state funding of services under the system are subject to appropriations. Expansion of any system developed would likewise be subject to necessary funding being available. Therefore, the DMH anticipates no fiscal impact as a result of this proposal.

Officials from the **Department of Social Services (DOS) - Division of Youth Services** assume the proposal will have no fiscal impact on their organization.

Officials from the **DOS - Division of Medical Services (DMS)** state the fiscal impact of creating a community-based service for children is unknown. Many of the services listed do not currently meet the definition of a Medicaid-covered service and would not be eligible for federal matching funds. Therefore, the Department of Mental Health (DMH) would incur all the costs for those services.

The DMS assumes that children who are returned to the custody of their parents will receive needed mental health services and the DMS will only be billed for services to individuals who remain Medicaid eligible. The DMS will apply for any appropriate Medicaid waivers. The DMS anticipates the proposal will have no fiscal impact on their organization.

Officials from the **DOS - Children's Division (CD)** state the actual number of youth this could entail and the funding needed for payments to the DMH are not clearly known at this time. The CD knows that approximately 559 youth are in CD custody due to voluntary placement by their parents. Another 188 are placed due to adjudication as a status offender and another 1,888 are placed for reasons listed as "other". This amounts to 2,635 (21.5%) youth who may have been placed for non CA/N (Child Abuse and Neglect) history and many may have been placed for reasons other than needing mental health services solely.

The CD assumes the proposal will have no fiscal impact on their organization. The CD assumes that due to the language of "pursuant to a comprehensive financing plan jointly developed by the two departments (DOS and DMH) in section 208.204 section 4, the CD will not be held responsible for costs that would be in excess of what the CD has historically been responsible for, had the children been in its custody.

Officials from the **Office of Secretary of State (SOS)** did not respond to our request for a statement of fiscal impact. However, in response to an earlier version of this proposal, the SOS stated this proposal establishes a comprehensive children's mental health services system. The Department of Mental Health could promulgate rules to enact this proposal. Based on experience with other divisions, the rules, regulations and forms issued by the Department of Mental Health

ASSUMPTION (continued)

could require as many as 14 pages in the *Code of State Regulations*. For any given rule, roughly one-half again as many pages are published in the *Missouri Register* as are published in the Code because cost statements, fiscal notes and notices are not published in the Code. The estimated cost of a page in the *Missouri Register* is \$23.00. The estimated cost of a page in the *Code of State Regulations* is \$27.00. The actual costs could be more or less than the numbers given. The fiscal impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded and withdrawn. The SOS estimates the cost of this legislation to be \$861 [(14 pp x \$27) + (21 pp x \$23)].

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Oversight assumes any funding appropriated for the Children's Mental Health Service System for services is unknown. Federal reimbursements for costs would be dependent on whether the services were provided to Medicaid-eligible children. These revenues and expenditures would be unknown but would net to \$0.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
GENERAL REVENUE FUND			
<u>Costs -State Departments</u>			
Comprehensive Children's Mental Health Service System Expenditures	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown)*</u>	<u>(Unknown)*</u>	<u>(Unknown)*</u>

*** SUBJECT TO APPROPRIATIONS**

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
FEDERAL FUNDS			
<u>Income - State Departments</u>			
Federal Reimbursements for Comprehensive Children's Mental Health Services	Unknown	Unknown	Unknown
<u>Costs - State Departments</u>			
Comprehensive Children's Mental Health Service System Expenditures	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0**</u>	<u>\$0**</u>	<u>\$0**</u>

**** Revenues and expenditures unknown but net to \$0.**

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal establishes a comprehensive children's mental health service system.

SECTION 208.152 - Child serving agencies within the comprehensive children's mental health service system are included under the provision of mental health services for the payment of Medicaid benefits.

SECTION 208.204 - By judicial review or family support meetings, the Children's Division must determine which child custody cases only need mental health services. Within sixty days, individualized service plans must be developed to identify which agencies will supply or pay for, subject to appropriations, the appropriate services to the child. These plans will be submitted to the court for approval and the child's family may actively participate in the plan. Children in need

DESCRIPTION (continued)

of only mental health services may be returned to the family's custody. Services shall be provided in the least restrictive environment. The Department of Social Services shall bill the Department of Mental Health for the appropriate moneys for the care of these children.

SECTION 630.097 - The Department of Mental Health, in partnership with all of the Departments represented on the Children's Services Commission, must develop a comprehensive children's mental health service system. This system will include a "Comprehensive System Management Team". The Department of Mental Health, along with all of the Departments from the Children's Services Commission, must develop a plan detailing outcomes, changes in population and progress to be submitted to the House, Senate and Governor by December 31, 2004.

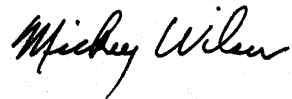
SECTION 630.210 - The standard means test for children in need of mental health services shall be waived to avoid custody transfers to the Children's Division. The Department of Mental Health is responsible for notifying parents that the standard means test may be waived.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of State Courts Administrator
Department of Elementary and Secondary Education
Department of Mental Health
Department of Social Services
Missouri Department of Transportation
Department of Public Safety -
 Missouri State Highway Patrol
Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Department of Insurance

NOT RESPONDING: Office of Secretary of State

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 25, 2004